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SPEECH  
OF  
MR. ALPHONSE VERVILLE, M.P.  
ON  
THE TARIFF AND THE TRUSTS

DELIVERED IN THE

HOUSE OF COMMONS, OTTAWA, MARCH 14, 1912.

Mr. ALPHONSE VERVILLE (Maison-neuve). Mr. Speaker, I want to congratulate the hon. Finance Minister (Mr. White) on the impartial manner in which he has presented the budget to the House. It is the first time in the history of Canada, as I understand, that we have had the announcement of a surplus of \$39,000,000. I observe that my hon. friend from South York (Mr. Maclean) last night expressed himself as being very anxious to have \$10,000,000 expended on the defence of the empire. I hope before I get through my remarks to be able to convince the Minister of Finance that there are many other places to put that \$39,000,000 instead of contributing it to the defence of the empire; I mean by a lowering of taxation as much as possible. We have heard during this present session many arguments on protection pro and con, and from many of the remarks made I for one have come to the conclusion that self-interest seems to have priority over the interest of the masses of the community. A well-read man might believe that we have gone back to ancient history, as some of the arguments used during this debate were put forward almost in the same form as far back as the fifth century.

The protection of Trusts, which is the furnishing to the few the means of getting rich at the expense of the community at large, is nothing new and will continue I suppose as long as the masses which compose this nation allow themselves to be misled into the belief that their interests rest on such a policy.

It is a well-known fact among those who are accustomed to gauge public opinion that this so-called protection as presented is not so popular amongst the masses as it appears to be. The foremost answer to this is, of course, that the people of the country have emphatically pronounced in favour of the same and that it so appears by the last election returns. This, however, is far from conclusive.

Let a policy similar to that presented at  
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the last election, go fairly and squarely before the people; let all the politicians, trusts and manufacturers be honest enough not to mix up things and cloud the issue by screaming treason, waving the flag and appealing to every shade of prejudice, and I am confident that an enormous majority of the people would pronounce in favour of such a policy.

What is this treason of which we hear so much? If any treason exist, it is the conspiracy of the Trusts to compass the ruin of the masses of the people of Canada. Is it really treason of that nature that we hear so much about? I will leave the answer to those interested in combines. Where political parties enter into a fight it should be on a policy; it should be with some higher aim than simply to obtain power, and which ever party follows this doctrine will command more respect in the future.

Kings and Emperors in past centuries had more energy than our much prized popular governments have to-day, for as far back as the year 483 of this era, Emperor Zeno, after contemplating the effects of combinations in restraint of trade and loyal competition, had a proclamation issued to the effect that any one found guilty of preventing such loyal competition on food stuffs or other necessities of life would be condemned to perpetual exile, whilst on the other hand any one guilty of the same offence in respect to articles of luxury was fined. It is plain to see that even in the 5th century there existed conditions and methods similar to those we have at present, and we find it also demonstrable that this Roman Emperor 1,439 years ago made an enormous distinction, by banishing the criminals for ever in the first instance so as to be sure that they would never return to elude the law.

We are not nearly so enlightened to-day, for the protective policy now in the ascendant seems to favour the very ones

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who should be severely punished because their only possible ultimate aim must be the accumulation of millions by the impoverishment of the people at large. Shall we allow this? Another glance at history shows us that similar conditions existed in France prior to 1789 and any one who wants to read history will admit that the effects of those conditions were not strange to the revolution of that year. It may be said with some appearance of truth that conditions in our country are not nearly so bad as any of those I have alluded to. I am not sure of that. In all communities it is considered good policy to cover over running sores and all things not pleasant to look upon, and we all know, at all events, that abuses of any nature are bound to bring about sooner or later the same results.

In an article on industrial and commercial conditions in Germany by Consul-General Frank H. Mason, prepared for the forthcoming 'Volume of Relations of the United States.' Mr. Mason said:

In the report of this series for 1897 the remark was made that as an incident and condition of Germany's perfect organization and industrial growth, its leading productive industries had been syndicated to an extent probably unknown in any other country.

What was true then is still more true today. The two hundred Trusts and Syndicates which are in existence in Germany at the beginning of 1899 are increasing in number day by day, until there is scarcely a single important product of manufacture of which the output, prices and conditions of sale are not governed by a combination or understanding between producers. One can scarcely open a German newspaper without finding a paragraph announcing a new combination of this kind or an article pointing to the recent notable multiplication of syndicated industries in England and in the United States as an example of what Germany should do for self protection.

Such is the condition in the great German Empire which on the floor of this House is offered as an example of good administration, and of the benefits of protection.

Speaking on the address in reply to the speech from the Throne at the beginning of the present session, I said, if my memory is correct, that if we kept on looking at Germany until the 12th day of January, we would probably see what the masses thought of this so called model government. Well, the 12th of January has passed, and newspapers have given the results, and some have also commented, but in a very moderate way and why? Because they anticipate in the near future that social conditions in that country may be easily applied to our own.

Oppression of the people by over taxation whether it be by tariff or otherwise,

has the same effect in any civilized country in the world. We may succeed in hampering the movement towards emancipation and freedom for a certain period, but water will find its level and any one who has at heart the wellbeing of his country, and of his fellow men should be in favour of less taxation, less scandalous profits by the mergers and trusts. In any case we no longer live in a time when the people were unorganized masses dependent for their very existence, upon the will of an absolute ruler. Thank God the army of labour is organized and able to defend its rights. The people are awakening to their strength and power and will use it if necessary. They are commencing to understand that protection is a one sided affair as they have no protection for the energy they have to sell: labour.

What is a Trust? The courts of the United States have, in many cases rendered important decisions on this point. In the case of *Richardson vs. Buhl*, the Supreme Court of Michigan said:

All combinations among persons or corporations for the purpose of raising or controlling the prices of merchandise or any of the necessities of life are monopolies and intolerable, and ought to receive condemnation of all courts.

Chief Justice Fuller in delivering the opinion of the Supreme Court in the *Sugar case* (known as the *Knight case*) said:

All authorities agreed that in order to vitiate a contract or combination, it is not essential that it shall be a complete monopoly; it is sufficient if it really tends to that end, and to deprive the public of the advantages which follow free competition.

It may be interesting to explain the mode of procedure adopted in the formation of these trusts which are a mere conspiracy to rob the public. We have a good example of these methods in the formation of the *Whisky Trust* in the United States on July 1, 1898. First of all it is essential to find a promoter whose mission is to carry the operation to a successful end. This promoter must possess two essential qualifications; first, he must be bold and unscrupulous, and second he must have neither conscience nor sense of honour.

To induce a number of industries to amalgamate is sometimes a difficult task; prudence must be exercised. So our promoter will first proceed by persuasion, always exposing the large amount of profits the special industry can realize, and also offering the manufacturer a good price for his co-operation. If he does not succeed he will offer a price far above the value, as is done in almost all cases, and also a special interest in the circulation. If the objections are too great he will spare no promises. If he is unsuccessful he will resort to threats, always arguing that it is



of the greatest interest for the manufacturer to join, otherwise the Trust will be formed without him and he will have then to stand the consequences. If not successful with this method he will employ the last means at his disposal which so far have never failed. War will be declared upon the recalcitrant manufacturer, a commercial war to the death. The Trust will sell to his customers the same goods at lower prices and in some cases at cost price, knowing full well that they will be in a position to recompense themselves for whatever loss they may have sustained in the operation. They will go so far as to boycott merchants who will buy from that manufacturer. They will refuse him certain patented goods which he cannot purchase elsewhere and cripple him badly. They will then trace a circle around him and the pressure upon him will become so great that he will fall in the clutches of the Trust in a short space of time. An evident proof of this operation has been given by Mr. Clark who fought for a certain time the Whisky Trust in the United States and this is what he said:

I entered the first Trust because I was fascinated by the gigantic benefits laid before me by the trust, and also by the intolerable persecution to which I was subjected by the organization. It was rather against my principles to deprive myself of my liberty. I was then a young man and well able to look after my own business. At last I decided to join and I felt remorse the very same day, although I gathered in great profits for a long time.

What Mr. Clark tells us, many others could corroborate if they dared, but the power of such organization to control the market and even the transportation in many cases prevents them from doing so. Such is the *modus operandi* in the formation of a trust.

Let us now examine the financial aspect in the formation of Trusts. We may cite as an example the Whisky Trust that Mr. Clark speaks about, and see how easy it is for them to realize dividends on non-existing stock better known as watered stock. On July the first, 1898, was formed the Whisky Trust. The full value of different individual industries absorbed (allowing a margin for overvaluation) was four million dollars. A corporation was then established with an authorized capital of 24 million dollars. 16 millions dollars in common stock and 8 million dollars in preferred stock. Then the following combination intervened.

A financial syndicate was formed in view of facilitating the operation of the Trust. Each of the owners of the absorbed concerns received in kind full value of their individual enterprises, \$4,000,000. They received over and above \$4,000,000 in com-

mon stock, thus obtaining a net benefit of 100 per cent. In order to receipt itself the financial syndicate received \$4,000,000 of preferred stock plus \$6,000,000 of common stock, net benefits 150 per cent.

The promoter for his services of very doubtful value to the consumers, received \$6,000,000 in common stock. The formation of some of our Trusts in this country must surely be financed in a similar manner. Indeed we have absolute proof that such is the case. While we profess to be afraid of our next-door neighbours, from the commercial standpoint, it would seem that our great financiers are only too willing to copy in every detail their nefarious system of operations in respect to the formation of Trusts.

It is said that imitation is the sincerest flattery, but I doubt whether the people at large will appreciate such flattery when it is given at their expense, and at that of their feeling and educating their children.

I will now attempt to make a slight analysis of our good kind of Trusts in Canada, and if possible give some slight idea of the burden that the masses have to bear. I would also desire to suggest some material remedy, of course I cannot expect that my suggestions will immediately appeal to all the members of this House. But such as it is, the remedy I outline appears to me the only one available, and as to its urgency, I think that no one will express any doubt on the subject.

After carefully weighing the significance of the following data, still imperfect although collected at considerable pains, the members of the House will see, I hope that some drastic measures must be taken, not only to prevent the formation of new Trusts, but also to prevent the operation of those now in existence.

The 'Monetary Times' of January 6th, 1912, published a list of about 40 mergers, giving in one column the capitalization of the merger and in another the capital of the individual companies absorbed, including bonds. The aggregate capitalization of thirty eight of these mergers, according to figures given by the 'Monetary Times,' stands as follows:

Capitalization of mergers ..	\$336,938,266
Aggregate capital of individual companies absorbed, including bonds .. ..	123,166,588
We can then conclude that the watered stock is ..	213,771,686

The population of Canada being 7,081,869, according to the last census returns, these thirty-eight mergers represent a mortgage of \$47.50 on every man, woman and child in the country, or \$250 on every family, of which mortgage more than two-thirds represent fictitious or watered stock. What



is more important is that every workman's family has to pay about \$23 of interest yearly upon the same. This is a heavy tax; yet it does not begin to show the situation of the Canadian public with respect to Trusts, for it does not include the Ice Trust recently formed, nor the Steel Trust whose capital, according to the 'Monetary Times,' aggregates nearly \$100,000,000; nor the Sugar Trusts nor the beef, pork, milk, fruits, cereals, brewing or other food Trusts so detrimental in their present form to the well-being of the people; neither will the Oil Trust be found in the list, nor many of the Trusts on clothing. One that stands prominent is the United Shoe Machinery Company of Canada, with a capitalization of over \$45,000,000, and with an annual dividend amounting to \$6,117,264, nearly one dollar per head on our population. From all the information to hand, Trusts in Canada as at present constituted already represent an annual average tax of nearly \$100 on each family, and this tends constantly to increase.

A glance at the business of the stock exchange of Toronto and Montreal will show this very clearly. McQuaig Bros., of the Montreal Stock Exchange, publish a list of 31 companies and mergers, of which 25 are Canadian, with a total authorized capital of \$666,656,975, and a total issue of \$932,712,775 which would appear to be beyond the law to the extent of \$266,005,300.

Among those will be found the British Columbia Packers' Association, whose net book assets amount to \$3,344,871, and whose profits in six years amount to \$1,646,422, an average of 20 per cent on their total capital.

The Canada Cement merger is of great importance, as cement is being used more and more in building. If there were no merger, it would be more extensively used by workmen in building their own homes. This merger comprises no less than 10 companies, and appears to be capitalized as follows: Merger capital, \$29,000,000; companies' capital, \$17,000,000; watered stock, \$12,000,000; net profits of merger (1910), \$1,177,698.

The Canadian Locomotive Company is capitalized at \$5,000,000. For a few years back their average net profits have been about 5 per cent, after payment of interest on their bonds at 7½ per cent, and other charges. This year it is foreseen that their net earnings, after payment of bonds, will be about 18 per cent.

I need not speak of the Canadian Pacific Railway Company. We all know what their capital is, and that a large portion of it came originally from government grants, although their earnings aggregate 17.26 per cent, and they are issuing more stock.

The Canadian Car Foundry Company is capitalized at some \$14,000,000. Their profits, after deducting interest on bonds, amounted last year to over 14 per cent.

The Dominion Iron and Steel Company, and the Dominion Coal Company, who are now clamoring for bounties, are rather a poor-paying concern as mergers go. Just fancy only 4.28 per cent on \$35,000,000 of stock, after payment of all interest on bonds and expenses. They, of course, also are issuing new stock. The bounties they are now endeavouring to obtain would mean more than \$550,000 annually, and bring their percentage of net profits to about 7 per cent on their present stock. In this connection I wish to state the real labour conditions that exist in the Dominion iron and steel industry, as given by Professor McGill, who made an investigation of them a couple of years ago. In his report he says:

The coke ovens.—These are kept going night and day, the men attending them are mostly foreigners—228 come from Europe, 15 from the United Kingdom, 61 from Newfoundland, and 58 are Canadians. Most of the work is such that Canadians do not apply for it. They are divided into shifts. Taking the total, 272 work ten hours and 63 work twelve hours per shift.

The coke ovens have been greatly extended since this report. I am told that 800 men are employed in this department, 90 per cent of whom are foreigners and receive \$1.40 per day. Continuous operation, 7 days per week, 365 days in the year.

Open hearth furnaces.—These are kept going night and day, and the men attending them work in two shifts. Taking the totals of the shifts, 306 men work twelve hours each, 7 work eleven hours, and 82 work ten hours. Of the total force about 36 per cent are Canadians, 29 per cent are Europeans, 19 per cent are Newfoundlanders, 8 per cent are British, and the remainder are Americans or West Indians.

In his department I am told the force employed is about 600. Melters, about 20, receive from \$4.50 to \$5 per day, and helpers \$2.50, third helpers, \$1.80, general labourers \$1.40, the latter class constituting the majority.

The blast furnaces.—These also operate continuously, and the men are divided into two shifts. Taking the totals, 226 work twelve hours, 13 work eleven hours, and 64 work ten hours.

In this department blowers and heaters get \$3.50 per day, second helpers \$2.50, third helpers \$1.80, and about 120 general labourers \$1.40.

The mills.—There are about 430 men at work in the blooming, rail and rod mills. Of these, over 350 work in twelve-hour shifts, and the remainder work ten hours. The day



force is larger than the night force. About fifty per cent of the men are Canadians, and about twenty-four per cent are from Newfoundland, so that the percentage of European labour is small. The mills are kept going continuously. There is some time lost.

In this department the pay is about the same as the above. There are a few well-paid rollers and heaters, but the majority receive a bare existence, or, to be concise, 14 cents per hour. A new feature has been introduced in the shape of a staff beginning work at nine o'clock Sunday evening, truly a remarkable state of things in a Christian country.

Speaking of the Transportation Department, the professor says:

There are about sixty-four men engaged at the piers loading and unloading vessels. This work lasts only during the summer months. The men are employed only during the summer, differing in this respect from the dock and wharf labourers in Halifax. When there are no vessels at the piers, the men are paid time wages, and the work is cleaning, &c. When the vessels are in, they work two twelve hour shifts, and are paid tonnage rates. It would be impossible for them to do as much in eight hours as in twelve. An eight hour law would mean the employment of three eight hour shifts. This would mean an increase in the force, and if the system and rates of wages remained the same, a decrease in individual earnings. The work, while the vessels are in, is steady, but when there are no ships in, it is light.

There are from 80 to 100 men running the engines, &c., on the company's tracks. These work in two twelve hour shifts.

Regarding work on the piers, it is true the work is seasonal, it is worse, cases have been known of men working 48 hours continuously in loading the vessels.

In the case of the locomotive men, please note that it calls for seven days per week with a 24 hour shift every two weeks.

Yards.—(350 men at \$1.40 per day). In the yards, and stables about 200 men are employed. A few of these work twelve hours, and the majority ten per day. Much of the work requires no skill, and a considerable percentage of the labour is foreign. An eight hour day would lead to the employment of a larger number of men, but it is impossible to say what increase would be necessary.

Other Employees.—There are about two dozen gateman, watchmen and janitors, and about the same number of timekeepers and scalemen. All these 'work' twelve hours. An eight hour law would necessarily mean three eight hour shifts.

I am informed that the general labourers in the yards are ordered out on Sundays, on the one hand necessity is the whip and failure to turn out means the 'sack.'

The other employees not mentioned are the innovation of General Manager Butler, to wit: The spies and blue coated gentlemen under the charge of one Noble by name, but otherwise by occupation.

The employees have asked for an investigation by the Labour Department about two years ago, on the grounds that the fair wages resolution applied to the steel company, as receiving grants from public funds. They claim that the company were not paying current wages in the case of bricklayers, carpenters and others as labourers. Mr. Dubreuil, fair wages officer of the Labour Department, went to investigate; he sought an interview with General Manager Butler, who politely told him and the government he represented that they could go to a warmer place than in the ovens of the company, that they would not stand for any interference with their business.

The report continued:

Foreign Labour.—A little over 40 per cent of the employees are Canadians, 28 per cent are from the continent of Europe, 20 per cent are from Newfoundland, 7 per cent from the United Kingdom, and the remainder from the United States and the West Indies. The European labour comes mainly from Poland, Hungary, Italy and France, though almost every European nation is represented. The European labour is found chiefly in the yards, coke ovens and among the helpers at the open hearth furnaces. The Newfoundland labour is found also in these departments, and to a greater extent at the blast furnaces and in the mills. All told nearly 60 per cent of the labour is imported.

Wages.—The majority of the men are paid by the hour. A system of payment by tonnage or bonus has been introduced and is being extended. Between 500 and 600 men were affected by this system during the year 1908.

An analysis of the labour cost taken from their own figures of 1908 as being 2.03 which includes superintendence, will show the \$1.40 men to be the major portion of the employees of this corporation.

The Mechanical Department.—About 400 men are engaged in this department. Of these 70 work twelve, and the remainder ten hours per shift, the day shift being much larger than the night shift. About 70 per cent of these men are Canadians, and nearly all the others are from Newfoundland and the United Kingdom. The men are machinists, foundry men, boiler makers, blacksmiths, pipe fitters, carpenters, pattern makers, &c.

Regarding the machinists, half of the staff are ordered out each Sunday.

Another incident worth noticing is the percentage of Canadians, which is dwindling, their places being taken by 'British born.'

The schedule for the trades is as follows:

#### TRADE AND SLIDING SCALE.

Machinist, from 30 cts. to 17½ cts.
Moulders, from 30 cts. to 17½ cts.
Pattern makers, from 27½ cts. to 22½ cts.
Carpenters, from 22½ cts. to 20 cts.
Bricklayers, from 40 cts. to 36 cts.



Blacksmiths, from 27½ cts. to 17½ cts.  
Boiler makers, from 27½ cts. to 17½ cts.  
Pipe fitters, from 25 cts. to 17½ cts.

The policy of the company is to pay perhaps half a dozen in each department the maximum, the remainder having the incentive of the higher pay to lure them into all the pathways of envy, hatred, and uncharitableness. That is how they keep men divided.

The Nova Scotia Steel and Coal Company, however, has done better than this. The percentage earned on common stock, in 1910, was 10.97 per cent, and if they ever received bounties, this company will be placed on a really handsome basis as to profits.

The Dominion Textile Company, who have been clamouring that it was impossible to pay reasonable wages to men, women and children in their employ, and have tried to convince the Department of Labour that their employers had to submit for the present at least to starvation wages, are capitalized at about \$14,000,000, and after payment of all charges the company nets annually some \$990,000 to be divided amongst the shareholders, leaving besides a substantial surplus. Last year the holders of their preferred stock received the equivalent of 22.4 per cent on their holdings. In the last few days this company have had remorse and have decided to increase the wages of those poor people who have been clamouring for an increase for so long. I suppose when they are in a position to pay 22 per cent on their stock, which will probably run to 35 per cent or 40 per cent, they feel that they can give a slice of their vast earnings to those who have placed them in a position to earn that money.

The Montreal Cotton Company, Limited, on the other hand, with a capital of about \$7,000,000, only shows an average earning of about 10 per cent on all stock.

Let us take the mergers of tramways and see the profits realized by them:

	Per cent.
Halifax.. . . .	14.32
Montreal (preferred stock).. . .	39.85
Toronto.. . . .	15.14
Ottawa.. . . .	15.38
Winnipeg.. . . .	10

The Quebec Tramway Company is so over-capitalized that they are ashamed to publish their figures.

The holders of preferred stock in the Lake of the Woods Milling Company in 1907 earned 28.53 per cent on preferred stock, but having increased the latter by \$1,250,000 in 1908 the dividends fell to 18.81 and 9.45 respectively, but this is far below the average and a mere accident.

As for the Montreal Light Heat and Power Company that very modest company only earned 12.38 per cent last year on a

capital of \$27,000,000, but they expect to do much better and pay an average semi-annual dividend of 10 per cent on all stock, which would mean more than 20 per cent.

The William A. Rogers, Ltd., Co., silver plating, capitalization \$2,000,000, pay 36.50 per cent on preferred stock although this company is not only operating in Canada but in the United States.

These are a few of the mergers offered for sale by one member of the Montreal Stock Exchange. As will be seen the interest paid to these concerns represents an average of over 18 per cent which is enormous when we consider that the over-capitalization in the aggregate amounts to nearly ⅓ of the total sum. This represents an interest of nearly 54 per cent on the real capital invested.

The number is still increasing, and from an issue of the Dominion Bond Company we see that during the year 1911 nineteen new companies have been formed with a total capital of \$23,125,000. It is also remarkable that companies that operate in necessities of life are consolidating in a scandalous way, and amongst them we see the following:

Ames-Holden-McCready, Ltd ..	\$1,000,000
Belding Paul Corticelli, Ltd.....	750,000
Canadian Cotton, Ltd.. . . . .	1,250,000
Wm. Davies Co., Ltd.. . . . .	1,850,000
International Milling Co.. . . .	1,250,000
Steel Radiator Co.. . . . .	2,450,000
Sherwin-Williams Co.. . . . .	525,000
Western Canada Flour Mills....	750,000
Matthews-Laing, Ltd.. . . . .	1,200,000

Making a total of.. . . . \$11,025,000

One half the capitalization in the past year has been for consolidation of interests dealing in food stuffs.

I will now endeavour to expose to the House the capitalization of some of the mergers which it is important for the public to know. The Navigation merger is composed of the Richelieu Navigation Company and other companies with a capital of \$10,000,000. The Paper merger is composed of the following companies: Montreal Paper Company, Canada Paper Company, Kinleth Paper Company, Barber Brothers, Toronto Paper Company, St. Lawrence Paper Company, Rolland Paper Company, Northern Paper Company—the capital stock to be \$5,000,000.

The Laurentian Paper Company has issued bonds to the amount of \$3,800,000.

Another merger which is of the greatest importance for the public to know something about is the bread merger. It is composed of the Breden Bread Company, Stuarts Limited, Geo. Weston, W. J. Boyd, H. C. Tomlin and other companies, with a capacity of 100,000,000 loaves per annum. These companies represent an aggregate value of \$575,000, including good will. It is true



that we hear of \$1,000,000 in cash being put into the enterprise by the promoter. This unusual generosity has been made up to him, however, for he has capitalized other concerns at \$5,000,000, thus reaping five hundred per cent.

The flour mills merger is organized under the name of Canadian Flour Mills, and is composed of the following companies: McLeod Milling Company, Canada Flour Mills Company, Campbell Company, Goldie & Company, Rutherford Milling Company, Carter & Company, and others. The unusual capacity of these mills is 4,500 barrels per day, but we cannot ascertain the amount of their capital which we are told is enormous. The earnings of the International Milling Company, with which this merger is connected, last year were nearly four times the amount required to pay the interest at 6 per cent upon the bonds issued. We can see the details in the 'Monetary Times' of July 1, 1911, page 121; July 15, 1911, pages 321 and 322; July 22, 1911, page 419.

The United Shoe Machinery Company of Canada is not a strange thing for any one, as it has been, and is now being, investigated by a special committee. The report of the 'Monetary Times' of July the 29th, 1911, page 47, gives us some details of the capitalization of the company.

	1910	1911.
Common stock.....	\$24,635,586	\$28,599,434
Preferred stock.. . .	9,490,059	9,515,400
Reserved.. . . . .	1,500,000	
Surplus.. . . . .	6,124,756	5,787,107

Total capital.. . .	\$41,750,392	\$43,901,941
Total dividends.. . .	5,180,690	6,117,264
Number of shareholders,	7,106.	

A glance at the number of manufacturing establishments will show the constant increase in capitalization of industries, the majority of which are engaged in preparing or handling necessities of life. The capital of those establishments was, in 1900, \$2,446,916,487, which was increased to \$833,916,155 in 1905. This shows clearly the increased tendency toward combinations and mergers, although if we could have the latest facts, it would show a greater increase to 1910.

The danger of increasing centralization of industrial interests is proven also by the number of employers' associations formed with similar ends in view:

Trade.	Number of Associations.
Building.. . . . .	57
Metal.. . . . .	52
Lumbering.. . . . .	9
Printing.. . . . .	8
Clothing.. . . . .	6
Leather.. . . . .	1
Paper.. . . . .	1
Food and tobacco.. . . . .	18
Licensed victuallers and brewers..	9

Trade.	Number of Associations.
Barbers.. . . . .	5
Agriculturists.. . . . .	14
Transport.. . . . .	5
General employers.. . . . .	20
Wholesale and retail merchants..	45

Total.. . . . . 220

This number is now increased to 240.

Among the 39 mergers I have previously mentioned on the authority of the 'Monetary Times,' perhaps one of the most remarkable is The Canada Bread Co., Ltd. of Toronto. This merger is capitalized at \$5,000,000. The companies absorbed are the following: Breden Bread Co., Geo. Weston & Co., H. C. Tomlin, Stuarts Ltd., W. J. Boyd. The total capital of these companies was \$575,000. The public in the region where this Trust operates will therefore have to pay not only the interest and profits on the real capital invested, but also on about four and one half millions of more or less fictitious capital. At 6 per cent this would represent an annual tax of nearly one dollar per head on the population of Toronto. If we add to the Bread Trust and Milk Trust capitalized at \$1,265,000 by the City Dairy Co., Ltd., Toronto, the real capital of which amounts to \$175,000, including good will, we have \$1,000,000 fictitious capital, or \$60,000 per annum more that the citizens of Toronto have to pay without getting value.

This, however, is a mere bagatelle comparatively with the Canning Trust, the Dominion Cannery, Ltd., of Hamilton, Ont., with a capitalization of \$12,500,000. No less than 45 individual companies are included in this trust, and for the edification of the members of this House and the country, I will read the names of the companies involved. There may be amongst them names well known to the members of this House:—Aymer Canning Co., Kent Canning Co., Dresden Canning Co., Grimsby Canning Co., Imperial Canning Co., Warehouse Canning Co., W. Boulter & Son, Ontario Pure Food Co., Lowery Bros., Bowly Bros., L. N. Scherick & Co., Wellington Packing Co., Leamington Canning Co., Aymer Condensed Milk Co. Ltd., Farmers' Canning Co., Hillier Preserving Co., Napanee Canning Co., Old Homestead Canning Co., St. Thomas Canning Co., Lakeside Canning Co. Ltd., Brighton Canning Co., Delhi Canning Co., F. R. Lalor Canning Co., Simcoe Canning Co., Lakeport Canning Co., A. C. Miller Canning Co., Port Hope Preserving and Canning Co., Strathroy Canning Co., Miller & Co., Belle River Canning Co., A. B. Taylor Canning Co., West Lorne Canning Co., Amherst Canning Co., Bloomfield Packing Co., Burlington Canning Co., Jordan Station Canning & Preserving Co., Niagara Falls Canning Co., J. H. Wetthey Ltd., Tilbury Canning Co.



Their total aggregate capital according to the 'Monetary Times' does not exceed \$1,574,000, this would mean \$10,000,000 more of fictitious capitalization, a sum of about \$600,000 annual tax without value on people buying Canadian goods.

Mr. LALOR. Is the hon. gentleman sure of his figures as to the capitalization, when he says \$12,000,000 and some odd hundred thousands? I can tell the hon. gentleman that he is positively wrong.

Mr. VERVILLE. My hon friend will have to blame the official journal from which I have taken the figures. I have taken from the 'Monetary Times.'

Mr. LALOR. As an officer of that company, I may tell the hon. gentleman that the capital is \$2,200,000 preferred stock, and the same amount of common. I am glad to correct him in his figures.

Mr. VERVILLE. As I have already said, I am always citing from the 'Monetary Times', which is an official journal, and which has a pretty good standing. Of course I am willing to accept any correction the hon. gentleman may make; but at the same time it would be proper to have the correction made in the 'Monetary Times' likewise, which is a journal scattered over the country. Now if we are well informed a great many of these small institutions have since the formation of the Trust been closed, the consideration of small towns or villages has had no consideration, the consumers have felt to a large extent the formation of the Trust also the producer who has now only one buyer. The Trust I am informed goes further by setting the retail price to the corner grocery store. Here I wish to cite some paragraphs of the agreement which I have taken from the 'Grain Growers' Guide,' not a bad authority. The agreement has already been cited in the House more than once, but there are some things in it which I wish to put on the 'Hansard' in this connection.

I am quoting from the selling contract between the Dominion Cannery Limited, and the wholesalers.

In consideration of the terms and conditions hereinafter contained, the wholesaler agrees to purchase exclusively from the company for a period of one year from date, all domestic canned fruits and vegetables which the wholesaler may require in their business of all kinds manufactured by the company and will also purchase at least 50 per cent of their total year's requirements of any other goods of a kind manufactured by the company, such as baked beans, jams, jellies, preserved fruits, condensed milk and evaporated cream, and further agrees not to contract for season 1911-12 or later until after July 1st, 1911.

1. The canned fruits and vegetables shall be sold under two groups known as 'A' and 'B', a list of which shall be published and

sent to the wholesaler by the company, such list price to show the prices at which the goods will be sold in the different territories. The difference in prices between group 'A' and group 'B' being 2½ cents per dozen.

2. All private brands or labels shall be listed in group 'A'. The opening standard brands for groups 'A' and 'B' goods shall be lowest of the season for those brands.

3. On or before December 1st in each year, the prices of all canned fruits and vegetables sold under the brands comprised in groups 'A' and 'B' shall be advanced at least 2½ cents per dozen and may be advanced at other times as the company see fit.

4. The price of said goods shall be payable sixty days after the shipment without discount, or if paid within 20 days after shipment, a discount of 1½ per cent will be allowed. The company have the option as to the terms on which the goods shall be sold.

5. The company will assemble goods for assorted cars where inter-factory shipments are necessary at an extra cost of one cent per case on the whole car. Cars will be loaded at the nearest factory at which the goods can be most conveniently assembled.

6. The wholesaler hereby agrees not to sell or to allow any one in their employ to sell directly or indirectly to any person, who has not executed a similar contract and has not violated the same, either wholesaler or retailer by agent or otherwise, any of the products of the company whether now in stock or owned by them or to be acquired after the date hereof wheresoever or howsoever obtained, at less than the stipulated selling prices and terms in force from time to time as per lists to be issued by the company, a copy of the current selling price lists to be mailed to the wholesaler as soon as issued.

7. The wholesaler also agrees that they shall not give cash or credit notes, discounts, rebates or other benefits upon sales made or to be made of such products, nor shall they give or sell at a reduction or at an advance, other goods in consideration of sales of the products aforesaid which would in any way violate or reduce the selling price.

8. The wholesaler also agrees not to buy domestic canned fruit or vegetables manufactured by any other manufacturer nor shall they sell either on their own account or as agent or otherwise, the product of any other Canadian manufacturer of canned fruit or vegetables.

9. The wholesaler also covenants that they have not contracted for or bought any canned fruits or vegetables of the pack of 1910, put up by any other Canadian manufacturer, and any canned goods which they have in stock at the present time of other brands not listed in groups 'A' and 'B' shall be sold by them at not less than the prices fixed by the company for the sale of said 'B' group of canned fruits and vegetables.

10. The purchase and selling price lists in force from time to time during the continuance of this contract may be changed and other prices established, by mailing them, or otherwise notifying them to the wholesaler; opening prices to be named as late as possible in the season.



11. The wholesaler agrees not to sell or otherwise supply the products of the company to any person or company who have violated their contract with the company, after having received notice from the company that such violation has taken place. The company consents to the wholesaler selling to any other wholesaler who shall have executed a similar agreement hereto at the wholesale price, provided permission is first obtained from the company. The wholesaler also agrees to advise their salesmen of the terms of this contract, and the company also reserves the right to cancel the order for goods or any part thereof remaining unshipped in the event of the wholesaler committing a breach of any of the terms of this contract.

12. The wholesaler further agrees that when called upon, and in any event before payment of the discount hereinafter mentioned, they shall give unconditionally to the company a declaration sworn to by the wholesaler or by any member of the wholesale firm or by any traveller or any one in their employ designated by the company, showing that this contract has been carried out in all its terms. The wholesaler shall not be entitled to the discount until such declaration has been given and all invoices for goods sold have been paid. Said discount shall be forfeited as liquidated damages for failure to comply with all the terms of this contract. The said discount cannot be anticipated by deducting the same from the invoices.

13. In consideration of the wholesaler purchasing exclusively from the company, as hereinbefore set forth and complying with all the terms of the contract, the company agrees to pay and allow them a trade discount of ten per cent upon f.o.b. factory price of all canned vegetables so purchased, such discount to be paid half yearly on the first day of February in each year.

14. All canned fruits and vegetables sold to the wholesaler are hereby guaranteed as to quality.

15. Travellers' order books in quadruplicate will be provided by the company if required.

16. In case the wholesaler shall sell goods outside the province in which their head office is situated, upon request the company will supply them with price lists of the prices ruling in any other province in which they may solicit business, and they agree that in all cases they shall observe the price, terms and conditions ruling in such province.

17. The company reserves the right to introduce a special group at somewhat reduced prices, terms and discounts in order to meet special conditions in any locality or localities, if considered necessary.

18. In the event of a short pack caused by frost, drought or other unexpected causes, and consequent inability to put up a full pack, the company will make to full extent of their pack a pro rata delivery to all buyers whose orders are accepted prior to July 15.

On any undelivered portion of 60 per cent of such booked orders the company will pay wholesalers 15 cents per case of two dozen tins. Subsequent orders to be booked subject to pack.

19. The company cannot guarantee delivery of any particular brands from any special

factory, but they will give early orders and shipping instructions the preference.

20. The company agrees to ship the canned fruit and vegetables when ready. Payment shall be made by the wholesaler for goods ordered but not shipped on 1st December, and they will be held by the company for reasonable length of time thereafter, the wholesaler to pay storage at rate of  $\frac{1}{2}$  cent per case per month and insurance after that date.

21. The wholesaler agrees that all goods sold prior to December 1, 1910, shall be charged and dated from time of shipment, and that any unshipped portion or order so taken shall be charged up not later than December 1, 1910. The wholesaler also agrees that in the event of an advance being advised by the Dominion Canners or or before December 1, 1910, that all goods sold and unshipped at that time shall be charged immediately upon receiving notice of such advance. On all canned goods sold after the 1st December the wholesaler agrees to charge up to date of shipment at the prices ruling at the time of this shipment. Dated this.....day of .....1910.

An analysis of the business of the Montreal fish corporation will give us another million of watered stock, and \$60,000 annual taxation.

Another food trust worth mentioning is the Matthews-Laing Ltd., operating in Montreal and Ottawa. It appears to be over-capitalized to the extent of \$5,000,000, the merger capital being \$7,000,000 and the three concerns included, namely, Geo. Matthews & Co. Ltd., Park Blackburn Co. Ltd., Laing Packing & Provision Co. Ltd.. These aggregate only \$2,000,000, which it is said is itself an over-capitalization. In any case this would prove an additional annual charge of \$300,000.

These five food trusts which are but a trifling portion of the combining actually accomplished in food, therefore represent \$22,500,000 of fictitious values, upon which the people pay without receiving any benefits whatever. Therefore an annual tax of \$1,290,000.

There are still a large number of other combinations which could be exposed, but I will leave for other members of the House the task of bringing to light some of their operations.

William Miller Collier, in his book on Trusts, tells us some of the effects of the Trusts on wages, and this is what he says:

The effects of excessive capitalization, and the attempt to pay dividends upon such capitalization, are a tendency to create artificial earnings upon an artificial capital both by artificially raising the price of the article produced, and by the depreciation of the wages paid. The result to the public from an economical standpoint is objectionable.

The question has more than once been asked: What remedy should be applied to such a state of things, and what action,



legislative or otherwise, can be devised in order to prevent this undue development of mergers, every time the answer has been legislation. In my opinion this is a mistake, we have too much legislation on the statute-books at present, and it would take up all the time at the disposal of our courts of justice to enforce the laws already made. Let me mention them:

1. By the British Wages Act, section 91, subsection 2, in the parliament of Canada is vested of legislation in matter of trade and commerce.

2. The Trade Union Act of 1872, re-enacting in substance the British Trade Union Act of 1872, forecasts legislation against combinations in restraint of trade by exempting before hand trade unions from the operation of any such laws. Embodied in the Revised Statutes.

3. In 1889, subsequent to the findings of the committee of the House of Commons and of the Labour Commission of 1888, parliament enacts a law for the suppression of combinations in restraint of trade. Embodied in the Criminal Code, sections 496-498 (Revised Statutes, 1906).

4. The usefulness of the above provisions was materially increased by parliament in 1900, by an amendment omitting the word 'unlawful' in the definition of a conspiracy in restraint of trade, thus shifting the burden of proof upon the accused.

5. In 1895, and again in 1898, the Hon. Dr. Sproule introduced Bills to regulate Trusts, but they are not carried through.

6. The Customs Tariff Act of 1897, section 18, provides that when it shall be established that there exists any trust or combination with regard to any article of commerce, the Governor in Council shall place such article upon the free list, or so reduce the duty as to give the public the benefit of reasonable competition.

7. By an amendment to the Inland Revenue Act (chapter 17, 1904) the minister is empowered to cancel the manufacturing license of any company selling goods under restrictive conditions.

8. Parliament adopted in 1910, 9 and 10 Edward VII, chapter 9, an Act to provide for the investigation of combines, monopolies, trusts and mergers, the object of which is to make the operation of such concerns public through the action of the courts.

Reference can be made to the 'Labour Gazette,' and to some cases of great importance. In Vol. XI, pages 1024, 1028, in the case of the sugar trust, also on pages 1170, 1408, will be found valuable information in that respect. Also a good account of the first attempts at litigation against trusts in Canada is given by Mr. W. W. Edgar in the 'Journal of Political Economy,' 1906, page 427. In 1901, action

was taken against the Canadian Paper Manufacturers under the Customs Tariff Act, 1897, an account of which can be seen in the same journal, 1906, page 431. In 1904, action was taken with reference to the American Tobacco Company and the Empire Tobacco Company under the Inland Revenue Act, as amended in 1904, an account of which can also be found in the 'Journal of Political Economy.' In 1907 action was taken, through the Royal Commission appointed to inquire into the conditions of the grain trade, with reference to the Winnipeg Grain and Produce Exchange. Explanations can be found in the 'Labour Gazette,' vol. VIII, page 708. We have also the famous case of the United Shoe Machinery Company of Canada, reference to which can also be found in the 'Labour Gazette,' vol. XI, pages 969, 1260, 1272.

Such is the present condition of Trusts in Canada, so far as I have been able to discover it up to the present time. Of course, those who have studied these questions seriously are well aware that the only real and permanent protection that the people can find against such vampires is organization and co-operation. By such means they will paralyze the Trusts. But they must never cease watching. 'Eternal vigilance is the price of liberty'—and of life. However, apart from this permanent and radical remedy which can only be slowly and gradually applied, there are others of a temporary nature, yet efficacious in their way, provided by legislation. The Customs Tariff Act of 1897, section 18, provides, as we have seen, that when it is established that there exists any Trusts or Combines on any article of commerce, that article shall be placed in the free list. This is supplemented by the Combines Investigation Act, and I call upon the government to apply the law to the glaring cases that I have just described. I have reason to believe also, that the workmen of Montreal and elsewhere will soon be in a position to test the efficacy of the Combines Investigation Act and that full light will be shed upon these conspiracies.

If we stop to consider and compare the actions of the Trusts on the other side of the line, we can conclude why these very same institutions are moving heaven and earth to effect a speedy organization.

The Industrial Commission of the United States, whose report fills some 1,300 pages with valuable information on this subject, shows that one combination is selling 90 per cent of the sugar output; another more than 90 per cent of the tin plate product; that a third controls at times as high as 95 per cent of the production of spirits; that a fourth is selling from 75 to 80 per cent of the total output of steel rods and smooth wire and from 65 to 95 per cent of



wire nails; that the same company by its patents has a practical monopoly on barbed wire and woven wire fencing; that another company produces from 90 to 95 per cent of the refined petroleum and all of these monopolies fix their own price.

I believe that I am justified at this present moment in expressing my views and impressions as to the waving of the flag and as to the cry of 'Canada for Canadians.' So much has been said on this subject and with so great an appearance of sincerity that some people might at first sight be impressed by these expressions and actions, but a closer investigation and inquiry will reveal the utter uncertainty of the politicians and others who indulge in them.

Any one who follows the financial transactions of the country would be led to believe that we are selling a good part of the natural resources of Canada, and if there is to be any waving of the flag it should also be waved in such instances. The amount of foreign capital invested in Canada is enormous; still we have not heard any alarming utterances from the so-called champions of the principle of 'Canada for Canadians.'

If we take the last report, we find that we have invested in the country:

From United States.. . . .	\$417,143,220
France.. . . .	70,750,000
Germany.. . . .	30,725,000
Belgium.. . . .	11,675,000
Holland.. . . .	11,000,000
Turkey.. . . .	3,000,000
Russia.. . . .	1,500,000
	<u>\$595,893,226</u>

We have then foreign capital.\$	139,589,650
American.. . . .	417,143,221
British.. . . .	1,860,000,000

Grand Total.. . . . \$2,416,732,871

If this total amount of capital is divided by the total population of the country, we have an indebtedness on every man, woman and child of \$341, or in other words, the interest at 6 per cent would mean \$20 on every head, an annual charge of over \$100 per average family.

American capital seems to dominate in British Columbia. We have 209 branch companies with an average capital of \$600,000 or a total of \$125,400,000.

Investment in mills and timber ..	\$65,000,000
Investment in mines.. . . .	60,000,000
Land deals.. . . .	8,500,000
Packing mostly in British Columbia.. . . .	6,000,000

According to this statement the Americans would own about 75 per cent of the timber industries in British Columbia; 50

per cent of mining industries are also the property of Americans. We conclude that about one-half of American capital is invested in British Columbia out of the total amount invested in the Dominion. We find that about 25 millions of dollars are invested in land deals in the prairie provinces and 10 millions in lumber and mines in the same provinces. We also find insurance companies with a capital of 43 millions and we know that those companies possess very little real estate.

If we take the report of our Canadian Superintendent of Insurance, we find that for the year ending 31st of March, 1911, the total assets of American life and fire insurances in Canada, was \$55,456,527 the two principal items being bonds and debentures. Their assets represented by debentures and stocks are as follows:

Debentures.. . . .	\$43,293,221
Stock.. . . .	162,141
	<u>\$43,455,362</u>

Yet from all appearances the country has not been in danger. The prairie provinces, which have less American capital, have clamoured less about being thorough Britishers than British Columbia, where more than half of all capital invested is American. If Trusts are increasing in capital and in numbers also, industries are diminishing in number, which fact shows clearly that with the present system we may anticipate having some day only one Trust; then the whole population of our Dominion will be the subject of that Trust.

At present we have a system of cold storage in the country, which, from its origin, has done more harm than good. At its inception, the cold storage system was built up and subsidized from a humanitarian standpoint, but the invention has been abused, and the cold storage warehouses have furnished the means to overtax our population and to starve them to a certain extent. If it were possible to obtain the number of pounds of food stuffs in cold storage warehouses, the price paid for merchandise stored in the months of November, December and January, and also the retail price paid by the consumers, we would understand the enormous profits made by these institutions.

We are told that millions of pounds of butter and cheese are now in storage in our large cities. Butter that was bought for 24 cents per pound is now being sold for 45 cents. Eggs are being imported, though there is a good quantity now in storage, and they were sold lately for 50 cents a dozen, and they were far from being fresh. Cheese is now being sold at 20 cents a pound, though it was stored at less than 13 cents a pound. Quantities of cereals, fowls and fish have been stored for more than two years. Instead of putting fresh



produce on the market, in many instances, it is two years old or more, and then we are wondering why we don't get good food.

If any legislation is to be enacted on this subject, a law should be passed that will prevent any storage company from keeping foodstuffs longer than is absolutely necessary, and for a specific time, as they have in the state of New York. They should also be compelled to make a weekly report to the government.

The cost of living is increasing, the purchasing power of money is diminishing, and we are wondering why the masses are not satisfied. Let good enough alone, we say, except when the interests of Trusts and of certain manufacturers are at stake. Well, the time has come when the people will not and cannot stand this any longer. The full weight of the protectionist tax upon the workingman was placed in evidence before the Tariff Commission in 1905, and with the permission of the House I will put on 'Hansard' these facts, which strikingly illustrate the manner in which the workingmen are protected:

The workingman, sleeping peacefully upon a 30 p.c. mattress covered with a 30 p.c. quilt and a 35 p.c. comforter, awakes to gaze upon a 20 p.c. chromo hanging on the wall, covered with a 35 p.c. wall paper. Lifting his head from a 30 p.c. pillow, he steps upon a 25 p.c. carpet, where he alights upon a 30 p.c. tack. He lifts a 35 p.c. window blind, removes a 35 p.c. flannel nightgown, slips into a 35 p.c. shirt and 35 p.c. trousers, 35 p.c. socks and 25 p.c. shoes, ties the shoes with 35 p.c. laces and washes himself with 35 p.c. soap. The drying operation is performed with a 30 p.c. towel, and the combing of his hair with a 35 p.c. comb. He adjusts a 35 p.c. collar, after hunting for a 35 p.c. collar button, and probably finds a 25 p.c. pantaloons button missing, necessitating the tightening of his 35 p.c. suspenders. The request for the replacing of the button in the proper place is met by his wife in a 35 p.c. corset and other highly protected clothing. She does the necessary stitching on a 30 p.c. sewing machine, with 25 p.c. thread, the final act being performed with a 30 p.c. needle, assisted by a 30 p.c. thimble. Before leaving for downstairs he adjusts his 10 per cent artificial teeth, and then ascends to light a fire in a 25 per cent stove with 25 per cent charcoal which he carries in a 25 per cent pail. He may perhaps use some of Rockefeller's 30 per cent coal oil to assist matters. He then sits down on a 30 per cent chair at a 30 per cent table covered with a 30 per cent table cloth, his knees being protected by a 30 per cent table napkin. In due season he has his choice of the following articles of food: apples, 40 cents a barrel; bacon and ham, 2 cents a pound; cheese, 3 cents

a pound; butter, 4 cents a pound; coffee, 10 cents a pound; potatoes, 15 cents a bushel. He assists himself with a 35 per cent knife and a 30 per cent fork, likely soiling his 35 per cent cuffs in the operation. Before he leaves for work he arranges for his children to regale themselves with 35 per cent sugar candy during the day, with 35 per cent dolls; that they shall go to school with 30 per cent school bags and 35 per cent copybooks, decked with 35 per cent ribbons. These things arranged, he daily takes his 30 per cent tool bag filled with 30 per cent nails, 30 per cent tools, 25 per cent axe, carries a 30 per cent crowbar, lights his 35 per cent pipe with his 50 cents a pound tobacco, fixes his 30 per cent hat firmly on his head and hustles off through the dark of the morning guided by the light from 30 per cent gas lamps. His daily routine of work may mean shoving a 30 per cent wheelbarrow and wielding a 30 per cent pick, but he works his nine or ten hours as the case may be, and returns at night to his well protected home. His wife smiles at him through a 15 per cent window, probably thinking of the new 30 per cent bonnet which she has purchased and glad of the fact that her day, too, is over, with freedom from 35 per cent clothes wringers, 35 per cent curtains, 20 per cent brooms, 25 per cent brushes, 35 per cent baby carriages. After a protected supper he adjusts his 30 per cent spectacles, lights the 30 per cent gas, coming through a 39 per cent gas meter, listens to his wife playing a few hymns on a 30 per cent organ, and is warned by a 25 per cent clock that the retiring hour has come. Tired and protected to death he seeks his bed chamber thinking of the struggle of the morrow and succeeding days. After a few years he dies, 20 per cent crape appears on his door, and he is finally buried in a 25 per cent coffin. He is protected from the cradle to the grave. This statement may seem ridiculous, but nevertheless it exposes clearly the well protected workman. I will now endeavour to expose to the House the cost of living, and also compare it with other cities.

At present the cost of living is higher in Canada than in the United States, while the scale of wages is lower. I am in a position to speak with some knowledge of the cost of living, especially in Montreal, which city can be compared with some American cities of similar population, and I have prepared from data at my command certain statements on the subject which I will communicate to the House. They confirm to a great extent the findings of the Massachusetts Commission on the cost of living which reported in 1910. The consumer gets on the average fully as much value, more variety, and in some



cases a better article for his money in the United States than in Canada. (Page 355 of the report). I have not found as stated in that report that meats are 10 per cent higher in Boston than in Montreal, but it is quite true that groceries are at least 4 per cent lower in Boston. Bread, the staff of life, was last year 13 per cent higher in Montreal than in Chicago. Eggs are also higher in Canada, millions of dozens being imported from the United States.

United States consular reports confirm this view as to the cost of living in both countries. Prices no doubt vary greatly in different localities, but it will be found that United States export prices for food stuffs are almost invariably lower than Canadian wholesale prices for the same articles. Here are some examples. Quotation from 1911 prices, which have increased since:

	Canadian Wholesale.	U. S. Export.
Boneless bacon.. . . .	\$0 15.4	\$0 10.9
Dressed beef.. . . .	0 10.5	0 10.4
Fowls.. . . .	0 13.1	0 13.2
Hogs (cwt) . . . . .	7 29	5 79
Lard.. . . .	0 13.8	0 10.7
Butter (creamery) . . . .	0 28.2	0 29.5
Cheese.. . . .	0 12.7	0 13.1
Flour (per barrel) . . . .	5 00	5 81

It will be seen that prices as a rule are higher in Canada.

This will appear more clearly if we enter into the details of expenditures of a workingman's family. I have prepared such a statement for Montreal, carefully excluding every item not absolutely necessary to prevent weakening and degeneracy. Let us take a family of five living under the very cheapest conditions:

	Per annum.
Rent, \$9 per month.. . . .	\$108 00
Water rates, 5 per cent.. . . .	5 28
Fuel (3 tons of coal at \$7, wood, \$8).. . . .	29 00
Lighting (½ gal. oil per week).. . . .	5 72
	\$148 00

Clothing for man.	
1 suit per year.. . . .	\$10 00
1 extra pair trousers.. . . .	2 00
3 suits of overalls at \$1.25.. . . .	3 75
2 hats at \$1.50; 1 cap, 75c.; 2 pairs of gloves, 50c.. . . .	4 75
1 pair shoes, \$2; 3 pairs at \$1.50.. . . .	5 00
2 shirts at 75c.; 4 at 50c.. . . .	3 50
4 suits of underwear at \$1.50 . . . .	6 00
6 pair of socks at 15c.. . . .	0 90
1 overcoat.. . . .	8 00
6 collars at 12c.; 2 neckties at 15c.. . . .	1 05
1 pair of rubbers.. . . .	1 00
Other necessities . . . . .	6 00
	51 60

Clothing for woman.	
1 dress per year.. . . .	\$ 6 00
2 dresses, common, at \$2 . . . . .	4 00
2 hats at \$1 . . . . .	8 00
1 cape.. . . .	6 00

2 pair of shoes at \$2, and rubbers, \$1.. . . .	\$ 5 00
Other necessities . . . . .	14 75
	43 75

Boy 7 years of age.	
3 suits per year at \$2.. . . .	\$6 00
4 shirts at 30c.; 6 pairs of socks at 20c.. . . .	2 40
4 pairs of shoes at \$1.. . . .	4 00
1 overcoat, \$2.50; 3 caps at 40c.. . . .	3 70
3 pairs of mits at 30c.; 2 suits of underwear at 75c . . . . .	2 40
Other necessities.. . . .	5 00
	23 50
Girl of five years.. . . .	\$12 00
Girl of three years.. . . .	8 00
	20 00

Total for clothing.. . . . \$138 25

Sundries	
School and school books.. . . .	\$ 4 00
Car fare, 8c. per day, 300 days.. . . .	24 00
Dishes, lamps and chimney, breakage, &c., at 5c. a day.. . . .	18 25
Sickness, &c.. . . .	20 00
Bedding, house linens, &c.. . . .	25 00
Church dues.. . . .	5 00
	\$96 25

Food.	
Meat, 2½ lbs. per day at 14 c.. . . .	\$114 94
Fish, 1 lb. per day at 12c. for 60 days.. . . .	21 60
Bread, 4 lbs. per day at 5c.. . . .	74 00
Potatoes, 1 bag per month at \$1.50.. . . .	18 00
Flour and meal.. . . .	5 00
Butter, 2 lbs. per week at 26c.. . . .	28 60
Lard, 1 lb. per week at 20c.. . . .	10 40
Eggs, 1 doz. per week at 30c.. . . .	7 80
Spices and condiments.. . . .	5 00
Milk, 1 quart per day at 6c.. . . .	29 20
Tea and coffee.. . . .	2 00
Molasses.. . . .	2 00
Sugar, 2 lbs. per week at 6c.. . . .	6 24
Cheese, ½ lb. per week at 16c.. . . .	4 00
Fruits, 20c. per week.. . . .	10 40

Total.. . . . \$352 58

Let us now compare this with the report of the Massachusetts Commission (page 72), on the cost of living in Boston and Montreal respectively;

	Boston.	Montreal.
Rent and water rates . . . . .	\$ 126.59	\$ 113.28
Fuel . . . . .	32.72	29.00
Lighting.. . . .	7.52	5.73
Clothing.. . . .	94.31	149.30
Sundries . . . . .	130.45	96.25
Food.. . . .	345.71	352.58
	\$ 737.28	\$ 746.13

Making a difference of \$8.85 in favour of Boston. It therefore seems that according to the strictest calculation the cost of living for a workman's family is more in Montreal than in Boston, while the scale of wages is lower, as will be seen by the following statement. I am giving in this statement some figures that can be compared, so as to show the difference of



wages per hour paid in some trades, in Montreal, Toronto, and Boston. If I were to take the larger cities in the United States the difference would be more; but I have taken Boston because of its population comparing with that of Montreal:

	Boston.	Toronto.	Montreal.
Bricklayers.. . . .	60	50	50
Carpenters.. . . .	50	35	35
Plasters.. . . .	60	50	40
Plumbers.. . . .	50	42½	35
Stone cutters.. . . .	60	50	43½
Builders labourers.. . . .	35	25	25
Common labourers.. . . .	30	20	20
Iron workers.. . . .	50	45	35
Electricians.. . . .	45	35	27½
Sheet Metal workers.. . . .	45	35	30
Painters.. . . .	45	32½	30
	530	420	368

According to those figures we can see that there is quite a percentage in favour of Boston in the earning power of the workman. He earns, in Boston, 17 per cent. more than in Toronto and 40 per cent. more than in Montreal.

I would like also to give to the House the average earning power of different trades in Montreal, and the figures I am now quoting are still above the average.

Bricklayers .. . . .	\$650
Carpenters .. . . .	550
Plumbers.. . . .	650
Structural iron workers .. . . .	550
Building labourers.. . . .	450
Sheet metal workers.. . . .	600
Moulders.. . . .	750
Stereotypers.. . . .	500
Printing pressmen .. . . .	750
Cigar makers.. . . .	700
Bookbinders.. . . .	500
Boot and shoe workers.. . . .	600
Tailors.. . . .	550
Painters.. . . .	650
Ship liners.. . . .	450
Textile workers .. . . .	450
Granite cutters .. . . .	750
Laundry workers.. . . .	400
Masons.. . . .	550
Plasterers.. . . .	650
Electricians .. . . .	600
Common labourers.. . . .	400
Lathers .. . . .	350
Machinists.. . . .	750
Photo engravers .. . . .	800
Printers.. . . .	750
Garment workers.. . . .	500
Upholsterers.. . . .	500
Blacksmiths.. . . .	650
Butchers.. . . .	600
Brass workers.. . . .	700
Musicians.. . . .	750
Barbers.. . . .	600
Longshoremen.. . . .	400
Stone cutters .. . . .	750

This statement shows plainly that the earning power of workmen is not sufficient to give them a respectable existence. Now to prove the correctness of the figures I have given on the allowance of food for the family of a workman, I will quote, by way of example, the ration allowed to each soldier in the army. It is as follows:

Bread, 1½ lbs. per day, 547 lbs. per year	
at 5c. . . . .	\$27.35
Sugar, 2 oz. per day, 45 lbs. per year	
at 7c. . . . .	3.15
Chocolate, 1 oz. per day, 22 lbs. per year	
at 25c. . . . .	5.50
Tea, ½ oz. per day, 5 lbs. per year at 25c.	1.25
Fresh meat, 1 lb. per day, 365 lbs. per year at 14c. . . . .	51.10
Fresh vegetables, ¼ lb. per day, 182 lbs. per year at 1c. . . . .	1.82
Flour, 9 oz. per day, 205 per year, at 5c.	10.25
Currants and raisins, 1½ oz. per day, 34 per year at 10c. . . . .	3.40

Total per man per year .. 103.82

These figures, as we can see, do not cover all the items of everyday life, far from it; so they can reasonably be multiplied by four for a family of five. This would give us \$415.28. This shows plainly that my calculations were not exaggerated.

Labour demands justice and equality, though not in the sense in which those words are often used. Labour men do not wish to go beyond reason. But they recognize that the law of itself is not powerful enough to prevent vast combinations representing millions of dollars of capital from organizing to oppress labour, to control and monopolize production and prices, and to carry into effect the purpose of such combinations.

Statesmen of to-day should read the prophetic words written by the great American statesman, Abraham Lincoln, in 1865:

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country.

As a result of the war corporations have been enthroned and an era of corruption in high places will follow and the money power of the country will endeavour to prolong its reign upon the prejudices of the people until all the wealth is aggregated into a few hands and the republic is destroyed. I feel at this moment more anxiety for the safety of the country than ever before even in the midst of war.

The crisis feared by Mr. Lincoln is upon us, and it is the duty of every member of this House, regardless of political allegiance to prevent it.















